0015

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

October 20, 2006

Pam Grubaugh-Littig
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84114

RE: Third Quarter 2006 Inspection Report
Star Point Refuse Pile C/007/042

C/007/004 20K

Dear Pam:

Please find enclosed a copy of the Third Quarter 2006 Inspection Report for the Star Point refuse pile, impoundments, and excess spoil area. The inspection was performed by a qualified SCA employee and certified by a professional engineer from Twin Peaks Engineering.

Should you have any questions, please contact Rusty Netz or myself at (435)888-4476.

Thank You,

Michael J. Blakey
Agent For
Sunnyside Cogeneration Associates

c.c. Robert Escalante
Rusty Netz
Plant File

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 005	
Permit Number	C/007/042	**Report Date** 10/11/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	**Impoundment Name**	Sediment Pond 005	
	Impoundment Number	005	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	

IMPOUNDMENT INSPECTION

Inspection Date	September 19, 2006
Inspected By	Rusty Netz
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Third Quarter Inspection 2006

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

NONE

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Total Pond volume = 6.96 acre-feet

Sediment Storage Capacity = 2.42 acre-feet
Pond bottom elevation = 7387.3
60% sediment elevation = 7393
Maximum Sediment Depth Elevation = 7394.9
Existing Sediment Elevation = 7394 +/-

3. Principle and emergency spillway elevations.

Spillway Elevation = 7401.3
Dewatering Orifice = 7394.9

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 005	

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good

No structural or hazardous conditions exist.

Pond had some water

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No structure or stability problems observed with the pond.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: Rusty Nd **Date:** 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 005	

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson

(Full Name and Title)

Signature: S. Scott Carlson **Date:** 10/11/06

P.E. Number & State: 187727 UT

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 006	
Permit Number	C/007/042	**Report Date** 10/11/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	**Impoundment Name**	Sediment Pond 006	
	Impoundment Number	006	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	

IMPOUNDMENT INSPECTION

Inspection Date	September 19, 2006
Inspected By	Rusty Netz
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Third Quarter Inspection 2006

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

NONE

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Total Pond volume = 2.6 acre-feet

Sediment Storage Capacity = 0.76 acre-feet
Pond bottom elevation = 7132.7
60% sediment elevation = 7138.8
Maximum Sediment Depth Elevation = 7140.7
Existing Sediment Elevation = 7138 +/-

3. Principle and emergency spillway elevations.

Spillway Elevation = 7147.2
Dewatering Orifice = 7140.7

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 006	

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good,
no structural or hazardous conditions exist.

Pond had a some water

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes.
No structure or stability problems observed.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: Rusty Doty **Date:** 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 006	

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	

COMMENTS AND OTHER INFORMATION

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, P.E.

Signature: S Scott Carlson

REGISTERED PROFESSIONAL ENGINEER # 187727 S. SCOTT CARLSON STATE OF UTAH

Date: 10/11/06

P.E. Number & State: 187727 - UT

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Sediment Pond 009	
Permit Number	C/007/042	**Report Date** 10/11/06	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Impoundment Identification	**Impoundment Name**	Sediment Pond 009	
	Impoundment Number	009	
	UPDES Permit Number	UTG040025	
	MSHA ID Number	N/A	

IMPOUNDMENT INSPECTION

Inspection Date	September 19, 2006
Inspected By	Rusty Netz
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Third Quarter Inspection 2006

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

NONE

Required for an impoundment which functions as a SEDIMENTATION POND

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Total Pond volume = 7.4 acre-feet

Sediment Storage Capacity = 2.02 acre-feet
Pond bottom elevation = 7435.0
60% sediment elevation = 7437.7
Maximum Sediment Depth Elevation = 7439.3
Existing Sediment Elevation = 7437 +/-

3. Principle and emergency spillway elevations.

Emergency Spillway Elevation = 7446.5
Primary Drain Elevation = 7445.5

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 009	

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good,
No structural or hazardous conditions exist.
Pond had some water

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes, no structure or stability problems observed.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: Rusty Nety **Date:** 10/11/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT	Sediment Pond 009	

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	

COMMENTS AND OTHER INFORMATION

None

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, P.E.

Signature: S Scott Carlson

Date: 10/11/06

P.E. Number & State: 187727 - UT

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Coarse Refuse Pile
Permit Number	C/007/042	**Report Date 10/11/06**
Mine Name	STAR POINT WASTE FUEL	
Company Name	SUNNYSIDE COGENERATION ASSOCIATES	
Excess Spoil Pile or Refuse Pile Identification	**Pile Name:**	Coarse Refuse Pile
	Pile Number	N/A
	MSHA ID Number	Abandoned by MSHA Jan 2004
Inspection Date	September 19, 2006	
Inspected By	Rusty Netz	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006
		Attachments to Report? ☒ No ☐ Yes

Field Evaluation

1. **Foundation preparation, including the removal of all organic material and topsoil.**

   N/A

2. **Placement of underdrains and protective filter systems.**

   N/A

3. **Installation of final surface drainage systems.**

   N/A

4. **Placement and compaction of fill materials.**

   N/A

   Removal of Refuse Material Only

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE	Coarse Refuse Pile

5. **Final grading and revegetation of fill.**

N/A

6. **Appearances of instability, structural weakness, and other hazardous conditions.**

No smokers visible

7. **Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.**

Waste Coal Removal
Excavation and hauling operations are occurring from the top of the pile

Certification Statement

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE

Signature: S. Scott Carlson

P.E. Number & State: 187727 - UT

REGISTERED PROFESSIONAL ENGINEER
187727
S. SCOTT CARLSON
STATE OF UTAH

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Disposal Area	
Permit Number	C/007/042	**Report Date 10/11/06**	
Mine Name	STAR POINT WASTE FUEL		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	**Pile Name:**	Disposal Area	
	Pile Number	N/A	
	MSHA ID Number	N/A	
Inspection Date	September 19, 2006		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Third Quarter Inspection 2006	
		Attachments to Report? X **No** ☐ **Yes**	

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

The site selected for the new disposal area is the old slurry ponds. Any topsoil recovered would have been addressed prior to the pond construction.

2. Placement of underdrains and protective filter systems.

N/A

3. Installation of final surface drainage systems.

N/A

4. Placement and compaction of fill materials.

Did not receive disposal materials during this Quarter.

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE	Disposal Area	

5. **Final grading and revegetation of fill.**

N/A

6. **Appearances of instability, structural weakness, and other hazardous conditions.**

None

7. **Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.**

No Construction occurred during this quarter.

Certification Statement

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE

Signature: S. Scott Carlson **Date:** 10/11/05

P.E. Number & State: 187727 - UT

REGISTERED PROFESSIONAL ENGINEER # 187727 S. SCOTT CARLSON STATE OF UTAH